

## **CAPE AGULHAS MUNICIPALITY**

### **REPORT OF THE PERFORMANCE AUDIT COMMITTEE FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019**

In the past years the Cape Agulhas Municipality (municipality) had a combined Audit and Performance Audit Committee. Due to the unique nature of each Committee's mandate it was decided during the 2017-18 financial to separate the Committee into two separate Committees, each with its own terms of reference. For 2018/19 there are two separate Committee reports, one for the Audit Committee and one for the Performance Audit Committee.

The Performance Audit Committee has pleasure in submitting its annual report for the 2018/19 financial year, as required by section section 14(2) of the Municipal Planning and Performance Regulations, 2001 (Regulation 796 of 2001).

#### **1. PERFORMANCE AUDIT COMMITTEE AUTHORITY AND RESPONSIBILITIES**

The Performance Audit Committee (Committee) is governed by a formal Terms of Reference, which have been approved by the Cape Agulhas Municipal Council (Council) and which is reviewed on an annual basis. The Committee fulfils its responsibilities in terms of section 14(2) of the Municipal Planning and Performance Regulations, 2001 (Regulation 796 of 2001) (Regulations) and its terms of reference. The Committee has an independent role with accountability to the Council. It does not assume the functions of management, which remain the responsibility of the Mayor, Municipal Manager, the executive directors and other members of management. The committee acts in an advisory and oversight capacity and makes objective and independent recommendations to Council in order to assist the municipality in achieving its objective; it does not relieve management of its responsibilities.

#### **2. COMPOSITION OF THE COMMITTEE**

2.1 The Committee consists of four members from the private sector with appropriate qualifications and experience that was duly appointed by Council. During the year under review the vacant position on the Committee was filled from 25 August 2018 with the appointment of Mrs L Stevens. However, one of the members (Mrs. B Salo) resigned on 8 April 2019 (the vacancy left by her resignation was filled from 1 August 2019 with the appointment of Mr. D Miller).

2.2 As at 30 June 2019 the Committee consisted of the following members:

- a) Mr. P Strauss (Chairperson)
- b) Mrs. L Stevens
- c) Mr. R Mitchell
- d) Vacant

### 3. REMUNERATION OF THE COMMITTEE MEMBERS

The Committee is remunerated in terms of the National Treasury guide on the "Remuneration of non-official Members: Commissions, Committees of Inquiry and Audit Committees" issued on an annual basis.

### 4. FREQUENCY OF MEETINGS OF THE COMMITTEE

The Committee held five meetings during the 2018/19 financial year. The dates of the meetings and attendance by the members are indicated in the table below:

Meeting dates	Member	Meeting attendance				
		2/7/18	23/9/18	26/11/18	14/1/19	18/4/19
2 July 2018 23 September 2018 26 November 2018 14 January 2019 18 April 2019	Mr. P Strauss - Chairperson	√	√	√	√	√
	Mr. R Mitchell - member	√	√	√	√	√
	Mrs. B Salo – member (1/7/18 to 8/4/19)	√	√	-	√	N/A
	Mrs. L Stevens – member (25/8/18 to 30/6/18)	N/A	√	√	√	√

The committee is satisfied that it has fulfilled its obligations in this regard.

### 5. FUNCTIONS OF THE COMMITTEE

The committee has discharged its functions in terms of section 14 of the Regulations as follows:

2.1. Evaluation of and advising the Council, political office-bearers, accounting officer and management on the following items:

- a) Its review of the quarterly performance reports submitted to Council;
- b) Its review of the municipality's performance management system and submitting its reports to Council;
- c) Its assessment of the municipality's predetermined objectives for 2018/19 as well as the achievement of its objectives at year-end;
- d) Assessment of the Committee's performance against its Charter; and
- e) Annual review of the Committee's Charter.

2.2. No additional functions were performed by the committee during the year.

## **6. EVALUATION OF THE FUNCTIONS OF THE COMMITTEE**

The committee also evaluated its own activities in terms of its legislated mandate and its Terms of reference and is satisfied that the Committee has fulfilled its function in this regard.

## **7. AREAS OF SATISFACTION**

The committee would like to express its satisfaction on the following issues:

- 7.1 The usefulness of the municipality's performance management system;
- 7.2 Quarterly reports submitted to Council;
- 7.3 The process of evaluation of the Directors and Municipal Manager; and
- 7.4 The achievement of yet another clean audit on the implementation and achievement of the municipality's predetermined objectives.

## **8. AREAS OF CONCERN**

The committee expresses its concerns on the following issues:

- 8.1 The quality of the portfolio of evidence supporting the municipality's achievement of its predetermined objectives;



**P. Strauss**

**Chairperson**

**3 December 2019**